

Moran Opposes the Forced Closures of Local Auto Dealerships

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WASHINGTON, D.C. - Congressman Jerry Moran today expressed his support for automobile dealerships after General Motors (GM) and Chrysler sent notifications to cancel contracts to specific dealerships nationwide.

“Many of these businesses that provide to the local economy are independently-owned by families living within the community,” Moran said. “When these jobs are lost in small towns and cities, the impact becomes much more evident and painful for the economy to absorb. Closing community dealerships would do nothing to help these auto companies. The franchised-dealer network was created to outsource virtually all the costs associated with selling and servicing cars. There is no sense in cancelling contracts for these dealers that bring in money for the auto industry and support our small town communities.”

This month, Moran talked with the White House to share the concerns he has heard from Kansas auto dealers. Moran also joined Congresswoman Lynn Jenkins in opposing the Automotive Task Force and the White House plan for the auto industry.

“The bailout of the auto industry and the promise of additional money for these companies have given the Obama Administration leverage with these manufacturers,”

Moran said. "The President's Auto Task Force, an unelected panel of advisors, has used this leverage to force the rapid and chaotic elimination of thousands of Chrysler and GM dealerships. This is a prime example of the devastating consequences that can happen when government becomes involved in private sector affairs."

A study conducted by a national consulting firm showed that reducing the number of dealerships at this time would do nothing to improve GM or Chrysler's economic situation. These car dealerships are independently owned, and combined, represent the largest retail business in the U.S., with approximately \$693 billion in revenues in 2007.

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